

BENEFITS OF ETHANOL TRADE



WE WANT TO REMOVE TRADE BARRIERS THAT RESTRICT U.S. ETHANOL EXPORTS FROM ACCESSING AND GROWING WITHIN INTERNATIONAL MARKETS.

In 2018, the [U.S. exported about 1.7 billion gallons of ethanol](#) to 72 countries. With over 60 nations having a renewable fuels policy, American farmers, ethanol producers, and our rural economy need relief from certain trade barriers that are limiting U.S. ethanol from accessing, competing, and growing within international markets.¹

Ethanol trade is beneficial:

It allows for more rapid achievement of national priorities and provides increased economic activity in the form of job creation and rural economic development. Ethanol exports had a record year in 2018 and are on pace for another record year in 2019.

MAJOR PRIORITY MARKETS



Brazil, Canada, China, India, Japan, and Mexico represent about 30% of global gasoline demand.

This group accounts for about [64% of U.S. ethanol exports in 2018](#) and has a combined potential of 14.2bg of new ethanol demand (4.89b bushels of corn).¹

TIER TWO MARKETS



Columbia, E.U., Peru, Philippines, South Korea, and Vietnam represent about 16% of U.S. ethanol exports in 2017 and demand is expected to increase 2 times by 2022 compared to 2017.¹

OPPORTUNITIES TO INCREASE ETHANOL EXPORTS



In 2016, **China** was the U.S. ethanol industry's [third-largest export market](#), and has recently announced a plan for nationwide E10 by 2020.¹ However, because of recent and drastic increases in tariffs, the U.S. ethanol industry has essentially been shut out of the market and unable to export to China.

Tariffs have increased to 70% on U.S. ethanol (30% in Jan 2017, moved to 45% in April 2018, and moved again to 70% in July 2018).²



U.S. ethanol has effectively been [shut out of the E.U.](#) since February 2013 due to unwarranted anti-dumping tariffs.³

Tariffs are currently under review by the Commission in E.U.



Brazil has a standard of 27 percent ethanol fuel blend.⁴

U.S. producers face a 20% tariff on quantities over 40 million gallons/quarter.



The Prime Minister of **India** has [set a goal for higher blending rates by 2030](#).⁵

The goal calls for 20% blending of ethanol with gasoline but the government currently bans any import of ethanol for fuel use.

Benefits of Ethanol Trade

- ✓ Reduce toxic gasoline components that can cause cancer and damage human health
- ✓ Lower fuel prices
- ✓ Increased octane
- ✓ Lower greenhouse gas emissions

1 [USDA](#), Foreign Agricultural Service, GATS, 25 March, 2019

2 [Reuters](#), U.S. asked China for lower ethanol tariffs: agriculture secretary, 26 Feb. 2019

3 [USDA](#), Foreign Agricultural Service – GAIN Report, EU Biofuels Annual 2018, 3 July, 2018

4 [USDA](#), Foreign Agricultural Service, GAIN Report – BR17006, 15 Sept., 2017

5 [USDA](#), Foreign Agricultural Service – GAIN Report, India Biofuels Annual 2018, 28 Sept. 2018